

~~SECRET~~

INTERNATIONAL ORGANIZATIONS DIVISION
OFFICE OF REPORTS AND ESTIMATES
CENTRAL INTELLIGENCE AGENCY

DIVISION WEEKLY

VOL. III - NO. 12

For week ending 16 May 1950

16 May 1950

Document No. 084
NO CHANGE in Class. ☐
☒ DECLASSIFIED
Class. CHANGED TO: TS S C
DDA Memo, 4 Apr 77
Auth: DDA REG. 77/1763
Date: 28 FEB 1978 By: 024

NOTICE: WORKING-PAPER

This document is a working-paper, not an official issuance, since it has not necessarily been coordinated with and reviewed by other components of ORE. It represents the formulative thinking of one group of analysts in ORE and is designed to provide the medium for transmitting their informal views to other intelligence analysts of the US Government who are working on similar or overlapping problems. It is intended for the use of the addressee alone, and not for further dissemination.

COPY FOR: D/GE

~~SECRET~~

~~SECRET~~

INTERNATIONAL ORGANIZATIONS DIVISION

WEEKLY SUMMARY NO. 19

For week ending 16 May 1950

Volume III

The International Week

Schuman's imaginative proposal for integration of French and German coal and steel overshadowed all other international developments. In London, immediately after the Big Three Foreign Ministers concluded their exploration of a concerted "cold war" strategy, the twelve Ministers of the North Atlantic Council met to consider broadening the scope and increasing the effectiveness of the Council. Meanwhile in Moscow, UN Secretary-General Lie was finally received by Stalin.

- o -

US presses UK to accept modified European Payments Union plan. Availing itself of Secretary Acheson's presence in London, ECA has requested him to hand Foreign Secretary Bevin an aide memoire stressing the importance of concluding arrangements for a European Payments Union before expiration of the present payments agreement next month. British distaste for entering an EPU -- except on its own terms -- stems both from a desire to preserve the sterling bloc and from fear that, in such a scheme, British dollar and gold reserves would again be drained off. ECA is attempting to meet these objections by advancing the so-called "continental proposal" which provides for full sterling area participation in EPU. ECA would extend multilateral use of sterling by granting any country with an overall surplus the right to accept settlement in sterling. At the same time, an overall deficit country would be permitted to use previously accumulated sterling to meet part of its deficit, and the UK would be able to maintain existing payments arrangements which, however, would operate only after full clearing. Furthermore, the plan would permit automatic reimposition of multilateral quantitative restrictions by the UK, should it suffer any significant gold or dollar loss to the EPU. Finally ECA holds out the prospect of allotting special dollar aid to Britain from specific EPU appropriations, should British dollar payments exceed an agreed danger point.

- o -

PCC seeks new talks. There is little likelihood that the Palestine Conciliation Commission will meet with any striking

~~SECRET~~

~~SECRET~~

success in its efforts to renew Arab-Israeli peace discussions. Seizing upon Israel's unconditional acceptance and evading the conditions attached by the Arabs, the PCC has invited the governments concerned to implement by 23 May its new proposal combining mediation and direct negotiations. Only King Abdullah of Jordan has shown any willingness to consider negotiations with Israel at this time but it is doubtful that he will be able to persuade his government to accept the invitation should the other Arab states decline as expected.

- 0 -

WFTU maps its "Cold War" strategy. At major conferences in Budapest, the World Federation of Trade Unions is currently reviewing its role in the Soviet-inspired "fight for peace" and considering moves to reinforce the "unity of the trade union movement". The WFTU leaders are concentrating on (a) expanding the activity of "peace committees" within industrial plants, (b) promoting greater "unity of action" with non-Communist labor unions in Western Europe and Trieste, (c) strengthening the resistance of Communist labor movements to the siren call of the Yugoslavs, and (d) reviewing support of revolutionary trade union movements in Africa and Asia.

The Communist drive to infiltrate strategic Western industries and develop "trade union committees for peace" is receiving separate attention in a conference of WFTU "trade union internationals". Dissatisfied with the effectiveness of its "peace" agitation, the WFTU will seek to strengthen and further extend workers "peace committees" in Western European industries, following the recent example of the seamen and dockers department. In view of Communist failures to impede the unloading of US arms shipments, future WFTU efforts in this field are likely to be aimed increasingly at sabotage of war materials during rail transit and at processing plants.

The Soviet element in the WFTU, increasingly concerned over recent Yugoslav appeals to non-Stalinist elements, is anxious to avoid defections by dissidents within the French and Italian Communist labor federations. Consequently, it will probably insist on a rigid boycott of the Yugoslav labor movement. Its anxiety on this score is made more pointed by the recent AFL pledge of support for Tito's "struggle against...Soviet imperialism" and the proposal for closer ties between US and Yugoslav workers.

During the Budapest meetings, the WFTU leaders will probably receive reports on the progress of the Peiping Liaison Bureau's drive in Southeast Asia and possibly on the results of parallel WFTU activities in Colonial Africa. While little publicity is likely to be given this phase of the conferences, the Soviet WFTU

- 2 -

~~SECRET~~

~~SECRET~~

officials can also be expected to consider steps for further aid to the revolutionary trade union movement in both of these areas, devoting especial attention to the reported WFTU "plan of action" for a 1950 Pacific shipping tie-up to cripple shipments from Western countries.

- 0 -

Communist front internationals supporting Berlin Youth Rally.

The increasing attention which the Communist-controlled Peace Partisans Committee and the World Federation of Democratic Youth (WFDY) are giving to the Whitsunday Youth Rally appears to confirm recent indications that the Soviets, impressed by the strength of Allied counter-measures are now concentrating on turning the Rally into a mass popular demonstration supporting Soviet "peace" aims. This shift in emphasis is also reflected in: the invitation to Joliot-Curie, the Peace Partisans' chief; resolutions of the German "Fighters for Peace" demanding prohibition of atomic weapons; and instructions to the youths attending the Whitsunday Rally to carry ten signatures apiece demanding such prohibition. A further indication of Soviet intentions to stress the "peace" theme is the decision of the WFDY to hold a five-day meeting in Berlin beginning 31 May. All these moves will provide fodder for the world-wide campaign which the USSR is conducting, through the Peace Partisans, to demonstrate its thesis that the Soviet Union alone is the true champion of world peace.

- 3 -

~~SECRET~~